

## **TIF STUDY COMMISSION**

### **Organizational Planning Notes**

**Note: This document is subject to revision and update**

The Tax Increment Financing (TIF) Study Commission (the Commission) was established by City-County Council Resolution 36, 2012, (copy enclosed).

### **Commission duties and responsibilities**

- Examine and investigate current economic development policies and procedures relating to the use of tax increment financing (TIF) in Marion County
- Hold public hearings and take public input
- Report to the Council findings and recommendations for improvement

### **Commission Members**

- (1) Steve Talley, Chair of the Council Metropolitan and Economic Development Committee, Commission Chair
- (2) Brian Mahern, Chair of the Rules and Public Policy Committee
- (3) Ryan Vaughn, Member of the minority caucus of the Council, appointed by the minority leader
- (4) Jeff Spalding, Controller
- (5) Deron Kintner, Executive Director of the Indianapolis Bond Bank
- (6) Billie Breaux, Marion County Auditor – proxy: Richard Hunter, Director of Settlement
- (7) Ed Mahern, Chair, Metropolitan Development Commission (appointed by the Council president)
- (8) Bill Crawford, State Representative (appointed by the Council president)

### **General Operating Guidelines** (established in the council resolution):

- After its initial meeting, the Commission will meet upon the call of the chair or a majority of its members.
- Five members constitute a quorum.
- A commission member may designate a proxy to participate in the Commission meetings.
- Any reports of the Commission will be approved by the vote of five members or more.
- Any vacancy in the Commission will be filled in the same manner in which the original appointment was made.
- The Commission will meet and begin its operations as soon as practical.
- Meetings in the community – to facilitate transparency and invite and ensure public participation in the study, meetings will be held in various community locations.
- IN general, schedules permitting, the meetings will be held for 1 ½ hours on Thursday evenings, from 7:00 – 8:30 pm, beginning March 29. On some dates, as the calendar permits, the meetings will be scheduled earlier.
- General Commission Time Line
  - March – April – Compile data and information for Preliminary Report, to be completed by 4/30
  - May – Review and discuss preliminary report and recommendations to formulate policy recommendations
  - June 14 – Draft Final Report
  - June 28 – Final Report

<b><u>Committee Staff</u></b>	<b><u>Responsibilities</u></b>
Hope Tribble, CFO and Policy Analyst <a href="mailto:hope.tribble@indy.gov">hope.tribble@indy.gov</a> 317.327.4246	Coordinate presenters, Agenda Planning, Member Questions and Requests, Coordinate with Technical and Other Advisers
Fred Biesecker, General Counsel <a href="mailto:fred.biesecker@indy.gov">fred.biesecker@indy.gov</a> 317.327.4232	
Leslie Williams, Administrative Assistant <a href="mailto:leslie.williams@indy.gov">leslie.williams@indy.gov</a> 317.327.4238	Minutes, Scheduling Meeting Spaces, Public notices, Coordination with Channel 16

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#### **Powers and Duties of the Commission (as defined in the enacting Ordinance):**

The Commission shall review and make recommendations on Indianapolis City-Marion County economic development policies and procedures related to TIF used in Marion County, including but not limited to, the following:

- 1) Policies and past practices used in Marion County for the establishment of TIF districts and projects therein;
- 2) Policies and past practices used in Marion County for the expenditure of TIF district funds and the issuance of debt backed by TIF district funds;
- 3) Current Marion County TIF districts and associated fund balances, debt obligations and past expenditures;
- 4) Need for new methods to increase transparency of Marion County TIF districts' funds and the expenditure of those funds, including the establishment of an online database of TIF districts' funds and expenditures and periodic reporting of TIF districts' financial data to the Indianapolis City Controller, Marion County Auditor, the Indianapolis-Marion County Council and taxing districts impacted by TIF;
- 5) Need for new methods to increase accountability, including the establishment of new performance standards in the establishment of TIF districts to ensure targeting of TIF districts to revitalize blighted areas of Marion County and job creation;
- 6) Need for performance goals for private development that receives TIF and methods to provide consequences for the failure to achieve those goals.
- 7) Need for a comprehensive economic development plan to ensure the creation and development of TIF districts and projects therein in a coordinated fashion consistent with economic development goals of job creation and community revitalization;
- 8) Need for periodic review of established TIF districts and projects therein to ensure performance towards economic development goals
- 9) Impact of TIF districts on Marion County taxing districts that depend on property tax revenue and the need to mitigate negative impact to those taxing districts, including development of standards and methods to return excess TIF district funds to those units; and
- 10) Need to establish methods to dismantle TIF districts that are no longer needed and/or address projects therein that are not achieving economic development goals.

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### **Preliminary Timeline with Agenda Topics (Unless otherwise noted, meeting time is 7:00 pm – 8:30 pm)**

#### **Advance Planning Tasks**

1. Send members the Commission planning document
2. Identify community organizations that can serve as meeting hosts
3. Assign responsibilities for initial presentation of information (3/20 meeting)
4. Identify additional people, organizations who can assist the Commission

#### **March 29 – Meeting #1 – Ivy Tech, Fall Creek (Riverside and Mapleton Fall Creek)**

##### Agenda

1. Introduction of Commission Members
2. Commission Charge, Operating Guidelines and Timeline
3. TIF 101 – A description of TIFs
  - Introduction
  - Definition in Indiana Code
  - TIF concepts (Economic Development Area, Redevelopment Area, etc.)
  - Costs and benefits of Using TIF as an Economic Development Tool
  - Description of Suitable Project Types
  - TIF Life Cycle (including the determination of projects and allocation area, approval and public hearing, confirmation, implementation, AV Pass Through Analysis, and expiration/sunset)
  - Current Policy for Determining the use of TIFs
  - Methods for Evaluation of TIF production/outcomes
  - Permitted Use of TIF Resources
4. An Overview of TIF Use in Other Places – A review of practices, procedures and lessons from outside Indianapolis and Indiana
5. TIF – Marion County Landscape – Overview
  - History of TIFs in Marion County
  - Comprehensive Listing of Marion County TIFs (include excluded city TIFs for informational purposes)
  - Outstanding TIF Debt and coverage
  - TIF allocation AV as a proportion of Marion County AV
  - Perspective of TIFs in the property tax cap world (Policy Analytics or Crowe)
  - Current Accounting and Reporting Practices and Requirements
    - Impact Statements
    - Direct Project Funding
  - Map of all TIFs (can be presented in preceding meeting, but more detailed description in this presentation)
  - Description of the Projects funded, past and present
  - A Comprehensive Worksheet/Table illustrating
    - AV of the allocation area
    - Outstanding Debt
    - Annual revenue
    - Debt Coverage
    - Sunset Date (if none, discussion of the likelihood)
    - TIF Fund Balances

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#### **April 5 – Meeting #2 – Location TBD**

A Review of Marion County TIF Districts

1. Downtown TIFs

#### **April 12 – Meeting #3 – Location TBD**

1. Airport TIFs
2. All other TIFs

#### **April 19 – Meeting #4 – Location TBD**

1. Identify TIF Policy Issues – Comments and Recommendations for the Policy Discussion about TIFs, to include
  - Success Stories
  - Lessons Learned
  - Topics identified in preceding meetings (things we “put a pin in”)
  - Measuring the Return on the Investment
  - Procedural Issues
2. Subject Matter Perspectives from
  - Commission Members
  - Credit Issuers and Rating Agencies
  - Accounting
  - Planning and Development (City View)
  - Community Development (Nonprofit, housing and community development corporations view)
3. Other Public Testimony
  - Taxpayers – inputs and outcomes
  - Others
4. Alternative and Complementary Economic Development Tools
5. Questions for final report and recommendations
6. Recommendations for future action (beyond the content of the Commission’s final report)

#### **April 30 – Preliminary Report and Recommendations published**

#### **May 3 – Preliminary Report – Presentation and Discussion – Location TBD**

#### **May 10 – Meeting #5 – Agenda and Location TBD**

#### **May 17 – Meeting #6 – Agenda and Location TBD**

#### **May 24 – Meeting #7 - Agenda and Location TBD**

#### **May 31 – Meeting #8 - Agenda and Location TBD**

#### **June 14 – Meeting #9 - Preliminary Draft of Final Report – Presentation and Discussion**

#### **June 28 – Meeting #10 - Final Report Presented and Reviewed**